

**MINUTES OF THE TACOMA NARROWS BRIDGE  
TOLL REVENUE USE MEETING  
WASHINGTON STATE TRANSPORTATION COMMISSION  
October 9, 2007**

The special meeting of the Washington State Transportation Commission was called to order at 6:00 p.m. on Tuesday, October 9, 2007, at the Gig Harbor Civic Center, City Council Chambers, 3510 Grandview Street, Gig Harbor, Washington.

Commissioners present at the meeting were: Chair Ford, Ed Barnes, Bob Distler, Elmira Forner, Carol Moser and Dale Stedman.

Chair Ford called the meeting to order introducing Commissioners and welcoming Senator Kilmer, Representative Seaquist and members of the Citizen Advisory Committee, Chair Bob Ryan, Alan Weaver and Sonja Morgan.

Chair Ford explained that today's special meeting has been called as a result of bridge-dependent communities and their legislators concerns regarding what the tolls are paying for, or are they paying too much for things they should. He emphasized that toll policy is legislative and the role of the Commission is to set the toll. He emphasized that \$50 million of the cost of building the bridge came from the gas tax with the balance coming from the tolls.

**OVERVIEW OF TNB TOLL REVENUE USES**

Greg Selstead, Director of Tolling Operations, WSDOT, stepped through a PowerPoint presentation starting off with an overview of the commencement of tolling operations in the state. He explained that this is not only the first startup of tolling in the state in nearly two decades, but the first electronic toll collection system with photo enforced violation and citations. As well, it's the first time that WSDOT has had a headquarters based field operations organization that is unique in its self. The operations focus is to provide customer service, efficiency, innovation and teamwork. From a statewide perspective the Department is forward looking to make certain that the system is inner operable for the future. SR 167 HOT Lanes is coming on line and the Department wants to make certain that it is integrated. He emphasized that the Department is listening and customer service is important. The primary challenges that the public is talking about:

- *In the wrong lane and unable to change lanes safely therefore crossing the bridge without paying the manual toll.*

The Department has worked towards addressing this issue by placing new signage approaching the bridge.

- *Confusion of criminal prosecution verses civil prosecution for violations.*

The Department is addressing this confusion with customers. The Department is focusing on having 100 percent of the tolls go towards paying down the bridge.

- *Tow trucks are a waste and the money should go towards paying down the bridge debt.*

The Department believes that the tow trucks are of value, but is currently evaluating this element and has recently suspended this service.

Commissioner Forner asked if violations are similar to parking tickets, if so, is there an appeal process? Has the cost been factored into the violation budget?

Mr. Selstead responded that SSB 5391 was established for photo enforcement. The legislation creates an administrative fee of \$40 for Pierce County Courts with \$9 going into the toll revenue account. The key element is that the \$9 goes back to the bridge fund.

Commissioner Distler questioned that the \$9 may perhaps go towards more than paying for the bridge. The revenue goes towards other things as well. This is the subject that has brought us here today.

Mr. Selstead moved on to highlight what the rewards have been:

- The bridge is great and worth every penny.
- Not sitting in traffic anymore, more time at home and saving gas.
- The process is easy and has cut 20 minutes off my commute.
- The Good To Go system is very convenient.

He contrasted the TNB system startup operations of tolling facilities in other states. Three examples of other systems indicated that the TNB is fairing well. Since the July 16 opening of the bridge there has been a total of 2.6 million vehicles cross the new bridge. Over 60 percent used the electronic toll lanes. The preliminary report indicates a collection of \$5.6 million in toll revenue. During the early weeks of the bridge opening traffic dropped by 2.2 percent, but since that time traffic levels have been reaching levels comparable to last year. On an average of 43 thousand eastbound trips each day. He reminded, as discussed, the revenue forecast had indicated that there would be a drop off with the initial opening of the bridge and that a higher ETC usage would cause a revenue decline. ETC use has been higher than expected however the number of trips has not declined, so the revenue forecast is as expected. The Department is working with Transcore to reconcile these preliminary numbers.

He pointed out that the opening of the bridge has resolved traffic congestion in one of the state's major traffic congested areas. Smoother traffic flow has reduced trip times by 20-25 minutes during the peak hour. There are over 85 thousand Good To Go accounts and 204 thousand transponders. Frank Wilson Consulting had forecasted 25 thousand accounts and 50 thousand transponders. This program has been an overwhelming success with the discount possibly being the primary driver, as well as the initial free transponder promotion and "the gadget factor", recognizing the Northwest is technology savvy. Approximately 96 percent of the Gig Harbor households have Good To Go accounts. This level of participation in ETC is unheard of in other states. The violation rate is around 3 percent indicating that public outreach efforts were well worth it, and something that the Department can be proud of with this startup.

### **RCW 47.46.100 (3) – Tolls – Setting – Lien On**

Lays out the Departments financial plan to provide annual revenue sufficient to provide for annual operating and maintenance expenses, make payments required under RCW 47.56.165 and RCW 47.46.140, including insurance costs and the payment of principal and interest on bonds issued for any particular toll bridge or toll bridges; and repay the motor vehicle fund under RCW 47.46.110, 47.56.165, and 47.46.140.

Commissioner Distler asked what the Department's definition of "operations" as it relates.

Mr. Selstead started off by describing global operations; customers are paying a premium price to use a facility that is smooth flowing. The detail includes the toll systems contract, preservation and maintenance of the facility, administrative oversight, enforcement, security and the initial tow service. He provided a detailed breakdown of where the toll revenue goes for the fiscal year 2008-09 and a look ahead at fiscal year 2014-15. As a result of better than anticipated traffic flow as of August 27 tow truck service was reduced from 182 hours per week to 40 hours per week. As of October 5 the tow truck program was discontinued completely, instead the Department's Incident Response Team will provide services similar to other roadways. The Department will continue to monitor and assess the ongoing needs and make adjustments as necessary.

Chair Ford emphasized that all or any of the numbers could change as we move forward.

Commissioner Distler asked if it is reasonable to assume that items that were being paid from the transportation budget before are now being taken out of the toll revenue.

Mr. Selstead responded that specific items such as WSP support and the tow service element are a premium service associated with a premium pay. The Department was forward looking to keep traffic free flowing by preventing backups on the facility. Incident Response is paid for out of the Department's budget not from the tolls. To include this corridor stretches the Department's budget.

Commissioner Distler "is it reasonable to say that the same number of people are crossing the new bridge as those crossing the old bridge, and yes it's reasonable to say that they are crossing it faster, and it's a premium product, but those same number of people were being furnished with Incident Response before the new bridge opened." The question seems to be "why is some of the cost of incident response being taken from toll revenues."

Ted Trepanier, Co-Director Maintenance and Operations State Traffic Engineer, responded that the Department had in place an incident response program that was paid for out of the Department's Q Program. The decision was made that the TNB financial plan would include extra incident response service to the new bridge in the form of contracted tow trucks, because the public's expectation would be a congestion free ride. The bridge opening went very well and traffic flowed smoothly, so the tow truck program has been suspended as of October 5.

Senator Kilmer iterated that this is a sensitive area that is twofold; one is covering costs of things that have been covered out of the transportation budget and two covering costs that are corridor wide and not simply associated with the bridge. The most common concerns are seeing a tow truck parked elsewhere as opposed to being parked near the toll plaza. The tolling policy for tolling corridors needs to be visited.

Jennifer Ziegler, Governor's Office, questioned if the tow truck service is budgeted in the out years?

Mr. Trepanier responded that the expectation is that the amount that was budgeted will not be spent, but traffic volumes will continue to grow over time and the discussion will continue.

Commissioner Moser questioned if it was the legislature's intent that these items be included in "operations."

Senator Kilmer responded that the purchase of WSP patrol cars and tow truck service was not included in any of the briefings that were given to the transportation committees.

Mr. Trepanier responded that because of the cash handling and potential violators at the toll plazas having WSP visibility is an important safety asset.

Commissioner Stedman noted that the budgeted amount for Transcore increases over time. He explained that he feels that this contract should be looked at for consideration of adjustments as the cost of operating the bridge decreases.

Commissioner Distler questioned legislators present if they felt that a "premium service for a premium price" is what they had in mind?

Representative Seaquist responded that there was no engagement during the transportation committee sessions regarding these expenditures. Tolling policy legislation should be visited.

Mr. Selstead provided a detailed breakdown of the Department's collection of the 31 cents as applied for oversight and administration of toll operations and Mr. Trepanier wrapped up with an overview of the 7 cents as applied to enforcement, security and tow services.

## **PUBLIC COMMENT**

Jeannie Derebry, citizen of Gig Harbor, commented that the penetration numbers provide are for Gig Harbor only, what about the rest of the peninsula? The dollars paid to the consultants and WSDOT for oversight seems extremely high. The \$50 million from the gas tax fund – is that to be repaid.

Chair Ford responded there was \$50 million from gas tax dollars applied to the project that will not be repaid by tolls.

Scott Junge, citizen of Gig Harbor expressed that free flowing traffic should be a standard, as opposed to a premium service. Users of the TNB are paying a toll for the use of the bridge, so all projects throughout the state should be tolled.

Donald Williams, citizen, submitted written concerns to the Commission regarding the use of operating revenue. He emphasized that the Legislature and the Commission must define what "legitimate" operating costs are. He expressed concern that the WSDOT has overstaffed the Toll Operations organization, and that these staff may be utilized in other positions elsewhere, such as the SR 167 HOT Lane Project.

**Continued discussion**

Commissioner Distler noted that toll collection is a very expensive way to raise money with a lot of costs associated. Irrespective of the equity issue it's a whole lot cheaper to raise the gas tax. The problem is that there is an incredible amount of opposition to raising taxes of any kind. Tolling operations is a very expensive way to raise money.

Chair Ford noted that the Commission is very aware of the elasticity of tolls.

Commissioner Moser complemented the Citizen Advisory Committee for the role that they played in assisting the Commission.

Ms. Ziegler expressed that tolling is part of our future and the discussion will continue on a number of other projects, as well as use in traffic management throughout the state. The Governor's Office is very conscious of toll revenue use and policy decisions that need to be discussed.

Senator Kilmer explained that the expectation was to pay for the bridge, never the less there is an appreciation for debt service, insurance and other costs. Local legislators have and will continue to pay close attention to "other costs." There will probably be an ongoing interest in the Transcore contract. It is the expectation that the administrative costs for collecting the toll should decrease over time. In closing he emphasized that the legislature will need to deal with tolling policy questions and concerns. A major concern is the \$56 million sales tax over the course of the project (life of the bridge). He expressed appreciation to the Department and the Commission as these questions are grappled with.

Representative Seaquist expressed appreciation to the Commission, the Citizen Advisory Committee and the Department for working so closely with the community. He shared a handout that outlined questionable tolling policy decisions made by WSDOT.

Commissioner Distler emphasized that the Commission's Tolling Study provided intent, but the legislature needs to provide direction.

Chair Ford thanked the community and adjourned the meeting

The Special meeting adjourned at 7:30 p.m., on October 9, 2007.

WASHINGTON STATE TRANSPORTATION COMMISSION

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Secretary of Transportation

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JENNIFER ZIEGLER, Governor's Office

ATTEST:

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REEMA GRIFFITH, Executive Director

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DATE OF APPROVAL